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United States Department of Agriculture Foreign Agricultural Service Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 41-81

WASHINGTON, Oct. 15 -- The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade.

GRAIN AND FEED

CANADA's Wheat Board has announced an export target of 26 million tons for western grains, oilseeds and products for the 1981/82 season (Aug.-July). Although such an announcement is unusual, this target, which is 3 million tons more than the previous record set in 1979/80, is in line with Canada's export objective of 30 million tons annually by 1985/86.

The possibility of record grain exports in 1981/82 is aided by this year's record total western grain and oilseed crops estimated at 41 million tons. In announcing the export target, the Board is challenging Canada's transportation system to work at high speed and efficiency to handle and load the record grain exports. The Board's announcement follows separate settlements earlier this month of labor disputes by the Thunder Bay and West Coast grain handlers.

In ROMANIA, prospects for a bumper 1981 grain crop were diminished by drought conditions during late July and August. Although grain quality is better than normal, yields for both wheat and coarse grains were below average. The 1981 crop is currently forecast at 18.5 million tons, nearly 2 million tons below last year's outturn. Reduced forage production, especially second crop hay and corn silage, also can be attributed to the dry weather. Consequently, Romania's grain imports during 1981/82 may total more than 2.5 million tons, while exports could drop to well below 1 million tons--the lowest in seven years.

OILSEEDS AND PRODUCTS

In MEXICO, the major soybean areas in Sinaloa, the largest producing state, were hit by tropical storm Lydia, Oct. 6-7 and again by tropical storm Norma, Oct. 11-12. Harvesting activities had been delayed due to continued rains in late September and early October. Consequently, most of the soybeans were unharvested when the storms hit. The extent of damage to the soybean crop has not be fully assessed, as communications to the affected area have been interrupted. Sinaloa normally accounts for 50 to 55 percent of - more -

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Mexico's total soybean production. According to the U.S. agricultural counselor in Mexico City, the Governor of Sinaloa has publically stated that 10 percent of the state's soybean crop has been lost, implying a crop loss of about 40,000 tons. Trade contacts in Mexico indicate that total losses will likely exceed this estimate.

HORTICULTURAL AND TROPICAL PRODUCTS

GUATEMALA has issued a decree to lower the export tax schedule for 1981/82 crop coffee in order to assist the ailing coffee industry. Effective Oct. 1, there is no tax on new crop coffee exports if the price for 46 kilograms is \$90 or less, up from \$70 or less under the previous schedule. An even more favorable tax rate will apply to coffee from the 1980/81 crop when it is shipped to countries not members of the International Coffee Organization. For these shipments, no export tax will be applied unless the f.o.b. price is above \$110 for 46 kilograms. The tax rates for both old and new crop coffees rise rapidly above these threshold levels to a maximum of 45 percent of the added f.o.b. value.

CANADA's Agriculture Minister Whelan announced that the Agricultural Products Board has been instructed to purchase up to 6 million pounds of surplus grapes grown in Ontario. The government will purchase red French hybird grapes of the de Chaunac variety, and have them processed into wine and brandy to be sold when market conditions improve. Although the program is expected to cost more than C \$1 million, the government expects to recover much of the cost when the wines are eventually sold at market prices.

The program was deemed necessary, following an influx of low-price imported wines and an increased consumer preference for white wine. A spokesman for the Ontario Grape Grower's Marketing Board claims that while red grapes are in surplus, growers cannot meet the demand for grapes for white wine. A shift in planting varieties is expected.

In the IVORY COAST, the Ministry of Agriculture announced that producer prices for coffee and cocoa will remain unchanged for the 1981/82 crop season at 150 francs per kilogram for coffee cherries and 300 francs per kilogram for coffee beans and cocoa.

SOUTH AFRICA's deciduous fruit exports during the 1981 season decreased 14 percent in volume and 21 percent in value, according to the Deciduous Fruit Board. The Western Cape, where the vast majority of the fruits are grown, was especially impacted by the unfavorable weather, as well as rising labor, production and transportation costs. The net income of the deciduous fruit producers dropped 76 percent. Although the 1981 crop year was an anomaly and the industry remains basically sound, the poor crop year will have some temporary, depressing effects on the region's agricultural industry, including increased unemployment.

In BANGLADESH, jute stocks reached a new record level in 1980/81 at 685,304 tons, up 14 percent from 602,464 tons in 1979/80 and 43 percent above the 479,513 tons held at the end of 1978/77. The United States remains a major importer of Bangladesh's jute manufacturers, accounting for 20 percent of the total exports in 1980/81 and 17 percent in the preceding year.

Jute continues to be Bangladesh's major foreign exchange earner, accounting for about two-thirds of total export earnings. Exports during the ten-year period (1970/71-1979/80) averaged .812,000 tons, 21 percent below the 1,024,000-ton average of the preceding ten years. Exports during 1980/81 are estimated at 851,986 tons, of which 352,717 tons is raw jute and 499,251 tons manufactured goods. This is 6 percent above the preceding year and 5 percent above the 812,000-ton average for the preceding ten years.

THAILAND's area and production of kenaf and jute in 1981/82 are expected to be up 10 percent and 19 percent, respectively, from last season, according to the U.S. agricultural attache in Bangkok. Plentiful rainfall contributed to this increase, as well as lower cassava prices, which caused some farmers to switch to kenaf production.

The traditional role of kenaf and jute fiber as a raw export material has tended to fade in recent years. This past season (Sept.-Aug. 1980/81), only 17,640 tons of kenaf fiber were exported. In addition to the reduced harvest, the number of importing countries has continued to decline—thirty in 1979, twenty-four in 1980, and only twelve in 1981. China, a former purchaser, has been able to increase kenaf production to meet its domestic needs and export the surplus. Other new exporting countries are Nepal and Burma.

Since 1977, Thai manufacturers have emerged as the largest users of domestic raw kenaf and jute production. Local factory consumption of bagging fiber is estimated at 214,250 tons in 1980/81, slightly lower than the preceding year due to reduced demand for kenaf products in foreign markets. The United States remains a major market for Thai's raw kenaf and jute, although substantial sales have been made to Ethiopia, Japan and the European Community.

In ECUADOR, the banana area registered for export in 1980 was 62,220 hectares, compared with 61,188 hectares in 1979. Although petroleum has replaced bananas as the main export product of the country, bananas are still the No. 2 foreign exchange earner at about 9.6 percent of total earnings. During 1980, bananas accounted for 48.6 percent of the value of agricultural exports.

Banana exports from Ecuador rose considerably in the fifties but increased at a much slower rate in the 1960-80 period. The United States remains the primary market, importing about half of all Ecuadorean banana exports. However, substantial sales have been made to the European Community, Latin American countries and the Middle East.

MOROCCO's citrus production during 1980/81 dropped to 977,000 tons, 6 percent below the preceding season. The decline was due entirely to short crops of mid-and late-season oranges, which suffered from the combined effects of frost and drought. The current outlook for the 1981/82 citrus harvest indicates some recovery to approximately 1 million tons.

Morocco's citrus exports during 1980/81 reflected the lower production and declined to only 690,000 tons, off 10 percent from the preceding year. Total citrus exports in 1981/82 are now expected to reach about 700,000 tons, slightly better than last season.

The 1981 WORLD HONEY harvest is estimated at 893,400 tons, 7 percent above the revised 1980 offtake. The upturn in world production partly reflects higher yields anticipated in China and the USSR, which together account for about a third of world output. The Soviet Union's production estimate for the first time includes offtake from both the socialized and private sectors. (Heretofore USDA Soviet data included only the socialized sector. Based on new information from the U.S. agricultural counselor in Moscow, USDA is now estimating production from both socialized and private sectors).

Total 1981 production estimates for major honey producing countries, with 1980 estimates in parenthesis, are as follows in 1,000 tons: Argentina 34 (28); Australia 21 (18); Brazil 24 (20); Canada 32.9 (29.2); China 115 (80); Mexico 62 (60); United States 90.7 (90.5) and the USSR 193 (190). These eight countries are expected to produce an estimated 572,600 tons of honey during 1981, representing 64 percent of the anticipated world crop.

WORLD COCOA BEAN production for 1981/82 (Oct.-Sept.) is forecast at a record 1.73 million tons, 4 percent above the 1980/81 crop now estimated at 1.66 million tons. Based on past performance, the chances are two out of three that the actual final outturn will not vary more than 5.5 percent from this first estimate of world production. Production increases in the Ivory Coast and Malaysia are expected to contribute significantly to the bumper crop.

Estimates for major producing countries for 1981/82, with revised 1980/81 estimates in parenthesis, are as follows in 1,000 tons: Brazil 345 (352); Cameroon 120 (118); Colombia 38 (36); Dominican Republic 35 (33);

Ecuador 80 (83); Ghana 265 (260); Ivory Coast 445 (405); Malaysia 50 (40.1); Mexico 36 (32); Nigeria 164 (159); Papua-New Guinea 30 (27) and Venezuela 14 (13.5). These twelve countries are expected to produce an estimated 1.622 million tons of cocoa beans for the 1981/82 season, representing 94 percent of the anticipated world crop.

DAIRY, LIVESTOCK AND POULTRY

The SOVIET UNION is expected to become the world's No. 1 egg producer during 1981 with current forecasts suggesting production this year at nearly 70 billion eggs, up 3 percent from 1980. The United States, however, is forecast to drop to second position, with an estimated annual production of 69 billion eggs as producers are being forced to cut laying flock size to counter rising production costs.

In 1966, the USSR produced only 32 billion eggs, and was a distant second to the United States, which produced slightly more than twice that amount. By 1978, the Soviet Union had more than doubled its output at 64.5 billion eggs, and this year per capita production is likely to reach 245 eggs per capita. This compares with the Soviet goal of 292 eggs per person.

U.S. AGRICULTURAL IMPORTS

The value of U.S. AGRICULTURAL IMPORTS during August was \$1.31 billion, a 1-percent decline over the same month a year ago. This brings agricultural imports during the first eleven months of the 1980/81 fiscal year (Oct.-Aug.) to \$15.94 billion, 1 percent less than during the same period last year.

The overall decline can be attributed largely to developments in U.S. coffee imports. A combination of a 12-percent decline in import volume and a 23-percent decline in import prices resulted in the value of U.S. coffee imports dropping from \$4.3 billion during the first eleven months of fiscal 1980 to \$2.9 billion during the same period in fiscal 1981. The drop in quantity is part of a longer term trend toward decreased per capita coffee consumption—estimated by the International Coffee Organization to have been 5 percent within the past year. Lower U.S. demand, coupled with a 14 percent increase in world coffee production, also lead to lower import prices.

Total agricultural imports (excluding coffee) for the first eleven months of fiscal 1981 are almost 11 percent higher than last year. Other than coffee, major decreases were evident in livestock and products, most notably in meat and livestock. Meat imports were down \$88 million or 4 percent from a year ago, while livestock imports were down \$123 million or 23 percent. These reductions can be attributed to more favorable U.S. prices relative to those of imported meat and livestock, along with lower export volume of principal U.S. suppliers.

Significant increases in the dollar value of imported agricultural products were led by sugar, increasing to over \$2 billion, a gain of \$557 million or 38 percent. The value rise was the result of a 50-percent price increase for imported refined sugar, which was only marginally offset by an 8-percent decline in quantity.

Oilseed imports were up 49 percent over last year, primarily the result of a dramatic increase in peanut imports. Temporary easing of U.S. import restrictions on peanuts was necessary because of a major shortfall in last year's domestic crop caused by excessive drought. Peanut imports, normally of negligible quantity, have so far amounted to over 139,000 tons valued at \$287 million.

Horticultural product imports are up 17 percent during the elevenmonth period due to increases in almost every major product category. Fresh fruit imports were up 18 percent, primarily the result of a 25-percent increase in banana imports. Increased volume and higher prices moved banana imports to over \$459 million from \$367 million last year.

Fruit juice imports registered an 82-percent increase largely from stepped up demand for imported frozen orange juice. The shortfall in U.S. orange production brought on by the January 1980 Florida freeze pushed juice import volume up 85 percent. Fresh and frozen vegetable imports were up 41 percent with much of the increase stemming from the \$106-million rise in imported fresh tomatoes, mostly from Mexico.

U.S. Agricultural Imports From All Sources October 1979 - August 1981

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CBAINS AND REEDS													
Wheat & products		129	138	+7	152.090	166.871	+10	12	12	-2	13.370	14. 433	+7
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Other		1	1	i	121,137	101,343	+33	1	8	*	10,269	13,414	473
Total	2/:	1	1	1	333,351	399,640	+20	1		-	27,945	34,218	+20
	."												
OIL SEEDS & PRODUCTS :	••												
Oilseeds	MT :	72	164	+129	42,238	74,250	+76	2	15	+184	3,023	7,297	+141
Coconut oil	MT:	342	470	+37	276,234	256,201	-7	31	25	-17	18,927	13,754	-27
Palm oil	. TM	92	135	97+	54,227	65,360	+20	3	2	+61	1,611	2,629	+63
Other veg. oils:	MT:	158	150	-5	176,390	140,685	-20	11	19	+72	11,127	15,200	+36
Other	MT :	45	193	+328	28,735	322,736	1	en	7	+133	2,044	4,717	+130
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Total	 E	709	1,112	+57	577,824	859,232	67+	53	71	+35	36,732	43,597	+18
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COTTON, LINTERS, SILK	"! E	21	12	-41	14,036	17,648	+26	6	-	-85	1,421	1,038	-26
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j		80	102	+27	231,122	267,765	+15	00	10	+27	20,564	30,048	+46
		2	m	+42	13,987	15,676	+12	1	1	-20	1,414	1,283	6-
Scrap & stems	 E	75	04	94-	125,835	45,790	-64	e.	7	+34	3,196	4,890	+53
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U.S. Agricultural Imports From All Sources October 1979 - August 1981

			CUMULA	CUMULATIVE TO DATE	6.1				RENT MONT	CURRENT MONTH (AUGUST)		
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Fruit 2/	:	;	1	965.124	1,174,708	+21	1	1	;	73 080	106 313	577
Fresh MT :	2,647	2,757	+4	554,398	656,329	+18	175	229	+31	40,640	57.456	+41
Prep. & pres MT :	347	312	-10	276,927	274,791	7	28	27	7	22,822	23,134	7
JuicesGAL :	174,078	299,148	+72	133,799	243,588	+82	10,761	27,574	+156	9,618	25,723	+167
Vegetables, FR/FZ: MT :	953	796	+1	374,879	526,897	+41	19	125	+558	7,480	118,804	1
Veg, prep., pres: MT :	206	245	+19	241,343	249,465	+3	19	22	+17	26,578	22,740	-14
Tree nuts 2/:	1	1	1	201,688	223,171	+111	-	1	-	25,252	19,151	-24
WineGĀL :	191,605	200,336	+5	680,609	681,901	+12	18,451	10,053	94-	57,727	59,288	+3
Other alcoholic bev:GAL :	30,739	48,410	+57	330,597	367,018	+11	5,147	18,155	+253	39,368	42,017	+7
Nursery products 2/ :	1	-	1	126,172	150,537	+19	1	1	1	8,288	14,564	+76
Other 2/:	1	1	1	206,486	230,696	+11	1	1	1	15,766	20,082	+27
Total 2/ :	1	1	1	3,055,378	3,604,393	+17	1	1	1	253,539	402,959	+58
POULTRY PRODUCTS : :												
Feathers & down MT :	9	80	+25	53,890	70,787	+31	1	1	+59	5,284	7,947	+50
Poultry meat MT :	1	1	+54	2,120	2,735	+29	1	1	-54	238	257	+7
Eggs & products: 2/ :	1	-	1	4,593	5,753	+25	1	1	1	191	613	-22
Other 2/:	1	1	1	2,807	3,947	+41	1	1	1	336	213	1
Total 2/ :	1	1	1	63,410	83,222	+31	1	1	1	6,649	9,030	+35
DAIRY PRODUCTS :												
	80	89	+10	214,911	247,898	+15	9	9	7	18,347	18,867	+1
Cheese, non-quota: MT :	13	15	+11	43,902	51,758	+17	1	1	-18	4,753	3,951	-17
Casein MT :	99	55	-17	143,383	159,068	+10	2	4	-17	14,766	13,378	6-
Other 2/:	1	-	1	17,270	19,217	+11	1	0	1	437	1,195	+173
												1
Total 2/:	1	1	1	419,466	477,941	+13	1	1	1	38,303	37,391	-2

U.S. Agricultural Imports From All Sources October 1979 - August 1981

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TVESTOCK & PRODS.												
	23	30	+32	91.544	129,088	+41	2	2	-11	9,188		+7
	: 852	823	-3	2,125,730	2,037,988	7-	77	77	0	180,250	175,429	-3
Roof and upal	: 651	604	-7	1.641.005	1,481,034	-10	57	55	5-	134,264		001
	173	188	6+	418,659	476,608	+14	18	19	9+	40,688		+111
(adible)	28	31	+111	66,066	80,346	+22	2	3	+32	5,298		+33
	866	653	-25	288, 587		-35	23	20	-12	11,134		-20
	: 244	182	-26	145,724	123,606	-15	30	12	-62	23,996	11,731	-51
	1	1	1	87,258	88,559	+1	1	1	1	6,367		+76
**	1	-	1	120,632	170,774	+42	1	1	1	7,576	7,084	9-
Other 2/	1	1	1	132,234	150,380	+14	1	1	1	13,067	13,131	+1
Total 2/		1	1	2,991,709	2,888,716	-3	1	1	1	251,578	237,355	9
. Supage about a deput		And the second s							The state of the s			
Sugar, raw & refined .: MT	3,707	3,418	80	1,452,782	2,010,385	+38	318	292	8	187,598	119,132	-36
Sweeteners MT	: 641	519	-19	201,356	210,895	+5	31	11	-65	15,229	11,819	-22
Cocos & products: MT	: 295	395	+34	912,380	876,567	4-	22	36	79+	169,09	71,833	+18
Coffee MT	: 1,085	952	-12	4,261,056	2,891,384	-32	86	75	-13	318,506	202,892	-36
Essential oils MT	œ	æ	80	117,493	94,103	-20	1	1	+45	8,507		+3
Tea MT	: 81	81	-1	124,426	123,419	-1	5	6	+61	8,159		+51
Spices MT	: 102	122	+20	155,717	165,793	9+	80	10	+25	6,493	13,	+45
Fibers MT	: 70	7.1	7	49,218	42,054	-15	œ	5	-41	7,825		-52
Rubber & allied gums.: MT	: 571	563	7	758,806	695,622	00	33	45	+36	44,815		+11
Other 2/	1	1	-	130,832	110,795	-15	1	1	1	13,022		-22
Total 2/	1	1	1	8,164,066	7,221,017	-12	l I	ě	1	673,845	504,724	-25
Grand total*: 2/		1	1	16,038,035	15,938,940	7	1	1	1	1,320,176	1,310,064	7
Tarahara har and and	2)				3371							

SOURCE: U.S. Census data (unadjusted). NOTE: Value units are in thousands of dollars. Unit values are in thousands of units.

Percent differences calculated on unrounded data.

*Totals will not add due to rounding.

Trade and Economic Information Division Trade and Marketing Branch, FAS, USDA Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

:Item Oc	t. 13, 1981	: Change from previous we	
\$ per m. ton	\$ per bu.	¢ per	\$ per m. ton
Canadian No. 1 CWRS-13.5% 1/	<u>1</u> /	1/	1/
U.S. No. 2 DNS/NS: 14%193.00	5.25	+8	205.50
U.S. No. 2 DHW/HW: 13.5%199.00	5.42	+3	209.00
U.S. No. 2 S.R.W	5.06	+11	194.00
	5.31	+6	264.00
	<u>1</u> /	<u>1</u> /	269.00
Feed grains: U.S. No. 3 Yellow Corn130.50 U.S. No. 2 Sorghum 2/145.00 Feed Barley 3/148.00	3.31	-17	146.00
	3.68	-3	147.50
	3.22	-13	165.00
Soybeans: U.S. No. 2 Yellow	7.12 <u>1</u> /	-13 <u>1</u> / +1.00 <u>5</u> /	285.00 293.00 247.00
EC Import Levies Wheat 6/	2.13	+9	110.45
	1.86	+17	87.30
	2.44	+5	107.70
	2.08	+8	95.35

^{1/} Not available.

Note: Basis November delivery.

^{2/} Optional delivery: U.S. or Argentine Granifero Sorghum.

^{3/} Optional delivery: U.S. or Canadian Feed Barley

^{4/} Optional delivery: Brazil yellow.

^{5/} Dollars per metric ton.

^{6/} Durum has a special levy.



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